

Memo to: Don Fitzgerald
From: Rory O'Rourke
Subject: April Buy 2 Packs, Get 1 at 25¢

Direct Accounts - No problem. They would treat this promotion like any other B2G1F. Currently, New York jobbers add an additional 15¢ per B2G1F unit for Sales Tax. Any consumer that does the math, knows they are still paying an additional 15¢ for the "free" pack. If the retailer charged an additional 25¢, they would get to "pocket" 10¢. For them to realize the entire 25¢ bonus, they would need to charge 40¢ more for the third pack.

Chains - should have no problem working this program. They could scan UPC on promo sleeve. (3 pack price). In store advertising would announce the promotion.

Media Support - NO, NO, NO. It would be very difficult for Media to coincide with product at retail. For numerous reasons, stores receive their product over a three week period. Try as we may, and try as we might, we have not been able to win this fight.

Other issues - In a market that is predominantly chain oriented, this promotion might be an excellent way to stimulate business. With out large number of independent stores, we just don't see it. The communication\education issues seem overwhelming. The extra 25¢ profit to the retailer will not compensate for the confusion it will cause.

51847 2650